

BOSTON REDEVELOPMENT AUTHORITY

REPORT AND DECISION ON THE APPLICATION BY ALLSTON LANDING LIMITED PARTNERSHIP FOR APPROVAL TO UNDERTAKE A PROJECT IN BOSTON, MASSACHUSETTS, UNDER CHAPTER 121A OF THE GENERAL LAWS AND CHAPTER 652 OF THE ACTS OF 1960, AS AMENDED

A. The Hearing. A public hearing was held at 4:00 p.m. on January 22, 1992, in the Board Room of the Boston Redevelopment Authority (the "Authority") on the 9th Floor of City Hall, Boston, Massachusetts 02201, by the Authority on an Application dated January 8, 1992 (the "Application"), filed by Allston Landing Limited Partnership (herein called the "Applicant" or "Owner") for authorization and approval of a project (the "Project") under Chapter 121A of the General Laws of the Commonwealth of Massachusetts ("Chapter 121A") and Chapter 652 of the Acts of 1960, as amended ("Chapter 652") to be undertaken by the Applicant, due notice of said hearing having been given previously by publication on January 11, 1992, in the *Boston Herald*, a daily newspaper of general circulation published in Boston, and mailing postage prepaid in accordance with Rule 4 of the Rules and Regulations of the Authority for securing approval of Chapter 121A projects, and in accordance with the provisions of Section 13 of Chapter 652.

B. The Project. The Project for which the Authority's authorization and approval are sought consists of the lease of certain land at the corner of Western Avenue and Soldiers Field Road in Boston from the Massachusetts Turnpike Authority to the Applicant and the construction, operation and maintenance thereon of a manufacturing facility, a research, development and administrative complex and a parking facility. The Project will be developed in phases. The manufacturing, research, development and administrative uses of the Project will be carried on by Genzyme Corporation under a sublease of the Project Area and Project improvements from the Owner.

The Project buildings will be of masonry, brick, metal and glass exteriors. The height of the buildings (as determined under the Boston Zoning Code) is not expected to exceed 65 feet, except that the research, development and administrative complex will have a maximum building height of 125 feet. The maximum FAR will be 2.0. The maximum program for the Project is projected to be:

Manufacturing	200,000 sq. ft.
Research, development and administrative	280,000 sq. ft.
Parking	<u>250,000 sq. ft.</u>
Total	730,000 sq. ft.

This allocation of space among the foregoing Project uses may shift as definitive plans for future phases of construction evolve. The Project will be subject to design review by the Authority in accordance with Appendix D of the Application.

Phase 1 of the Project, to be commenced in 1992 and with an expected occupancy date of 1994, will be a manufacturing facility with not more than a projected 90,000 square feet of space on not more than two and one-half floors. Phase 1 will also include ancillary laboratories, office, storage and mechanical space and approximately 120 parking spaces in a landscaped at-grade lot. Landscaped setbacks and architectural material and design elements will be visually compatible with and enhance the Charles River Corridor.

For the reasons set forth below in this Report and Decision, the Authority determines and finds that the Project constitutes a "project" within the meaning of Section 1 of Chapter 121A.

C. Authority Action. In passing upon the Application, the Authority has considered the Application itself, all documents, plans and exhibits filed therewith or referred to therein, the oral evidence presented at the hearing, the exhibits offered in evidence presented at the hearing and arguments and statements made at the hearing.

D. Project Area. The Project Area consists of approximately 8.96 acres of real property in Boston at the corner of Western Avenue and Soldiers Field Road. The Project Area is owned by the Massachusetts Turnpike Authority and will be leased to the Owner under a ground lease having a term longer than the period of exemption under Chapter 121A being sought by this Application. The Project Area is shown on plans included as Appendices B and B-1 of the Application and is more particularly described in Section 2 of the Application.

The Project Area may be expanded in the future by Authority approval of an application for amendment of the Application to include expansion parcels to the south and west of the Project Area as to which the Owner will have leasing rights under its lease from the Massachusetts Turnpike Authority.

The Authority makes the following determinations and findings relating to the Project Area:

1. The Project Area is a blighted open area, detrimental to the sound growth of the Allston-Brighton community and the City of Boston because it would be unduly costly to develop it soundly through the ordinary operations of private enterprise by reason of (i) its isolation from surrounding neighborhoods by a turnpike ramp and access way, actively used trucking and railroad property, a heavily travelled four-lane highway, Cambridge Street, and a limited accessed highway, Soldiers Field Road, (ii) unduly expensive measures incident to building around the turnpike ramp, railroad tracks and Soldiers Field Road and (iii) the necessity for pile driving and related work in an area with a high water table.

2. The presence of such active highway and railroad uses at the perimeter of the Project Area and on the larger site owned by the Massachusetts Turnpike Authority of which the Project Area is a part creates blight and decadent conditions by reason of

traffic and traffic congestion, noise and air pollution. These are not capable of being remedied by the ordinary operations of private enterprise and are detrimental to the safety, health, welfare and sound growth of the Project Area and the surrounding community.

3. Additional decadent conditions are present because buildings in and around the Project Area are in a deteriorated condition and in need of major maintenance or repair. Such buildings have not been replaced, and it is unlikely that they will be replaced by the ordinary operations of private enterprise.

4. Current uses of the Project Area provide relatively few jobs, no housing or local economic benefits to offset the negatives of appearance and local traffic congestion.

5. Other efforts to develop the Project Area have failed.

6. The Project Area has not benefitted from an upgrading of the Allston area, to the north by the Harvard Business School, to the northwest by the WGBH public broadcasting studios, and to the south by the Guest Quarters Suite Hotel, and it is unlikely that the Project Area will be upgraded in the future without the aids provided by Chapter 121A of the General Laws and Chapter 652.

The historic background for such findings is described in "A Plan to Manage Growth" (the "IPOD Plan") issued by the City of Boston and Boston Redevelopment Authority for the Allston/Brighton Interim Planning Overlay District dated June 4 1987, as follows:

"The proximity to the Charles River and to the Boston and Albany Railroad encouraged the construction of stockyards, slaughterhouses, and meat packing operations. As the nation expanded westward and refrigerated railroad cars were introduced, the Brighton stockyards declined in importance and were replaced by other industrial plants, commercial warehouses, and even houses. Since settlement was unplanned, housing, commercial and industrial uses were intermingled, causing a confusing and blighted environment that still exists in some sections of the neighborhood today.

"After World War II, the construction of the Mass. Turnpike extension isolated Allston from Brighton even more than the railroad tracks due to the greater width of its right-of-way, the noise and air pollution and because it severed pedestrian links."

For the above reasons, the Authority finds that the Project Area is a blighted open and decadent area within the meaning of Section 1 of Chapter 121A.

E. Cost of Project. In the opinion of the Authority, the cost of Phase 1 of the Project has been estimated realistically in the Application. The Authority hereby approves the method of financing and related matters as described in Section 4(a) of the Application. As set

forth in said section, Phase 1 will be initially financed by Genzyme Corporation through the proceeds of its 1991 issue of convertible debt. It is anticipated that subsequent financings and refinancings of the Project will be based upon the credit standing of Genzyme Corporation which is the parent corporation of the Applicant. Debt service on any such financings and refinancings will be covered by rent payments from Genzyme Corporation under the Project sublease. The specific method and amount of subsequent financings or refinancings of the Project will depend on future financing and market conditions. A letter from Genzyme Corporation with respect to the initial financing is included in Appendix I of the Application.

Persons who have an interest in the Project are listed in the Disclosure Statement, as set forth in Appendix J of the Application, except for the consultants and attorneys working on the Project who are listed in Section 1 of the Application.

Experience with similar financing and organization methods and research as to the financial condition of Genzyme Corporation persuade the Authority that the financial program is realistic and that the Project is practicable.

F. Consistency With Master Plan. The Authority determines and finds that the Project will not conflict with the Master Plan for the City of Boston, which under applicable judicial precedent (*Manning v. Boston Redevelopment Authority*, 400 Mass. 444, 451 (1987)) includes the (i) "1965/1975 General Plan for the City of Boston and the Regional Core," (ii) the IPOD Plan referenced above and (iii) the Text Amendment No. 168, adding Article 51, Allston-Brighton Neighborhood District, to the Boston Zoning Code, effective November 13, 1991, and implementing the IPOD Plan, all of such documents on file with the Boston Redevelopment Authority. The development of the Project will be consistent with the goals of the Master Plan, including the development of science-based industry at locations outside the core of the City of Boston (as set forth in the 1965/1975 General Plan at page 96) and the use of the Allston Landing North Economic Development Area "as a focal point for economic growth and development, with strong emphasis on scientific research and development and the manufacture of the products of such research and development" (as set forth in Section 51-22 of the Boston Zoning Code).

G. Effect of the Project. The Authority determines and finds that the Project will not be in any way detrimental to the best interests of the public or the City or to the public safety or convenience or be inconsistent with the most suitable development of the City. The Project constitutes a public use and benefit, will forward the best interests of the City, is being undertaken and acquired for a public purpose and is necessary and desirable for the following reasons:

1. The Project is consistent with the overall planning and development objectives of the City as set forth in the 1965/1975 Master Plan for the City of Boston, the IPOD Plan and Article 51 of the Boston Zoning Code, as described in Section F above.

2. The Project will eliminate the blighted open and decadent conditions in the Project Area in the manner described in Section D above. The Project will replace

blighted open and decadent conditions in the Project Area with well-designed and landscaped manufacturing, research, development, administrative and parking facilities.

3. The Project has the support of the Allston-Brighton community, including owners of land adjacent to the Project Area, as evidenced by the comments offered at the hearing on the rezoning of Allston-Brighton on November 6, 1991, and at the hearing on the Application.

4. The Project will stimulate economic growth, including investment by similar biotechnology companies, in presently under-utilized land in the proposed Riverfront R&D Park and elsewhere in the larger Allston-Brighton community and the City of Boston.

5. The impact of the Project is sufficient to warrant Chapter 121A status for the following additional reasons:

(a) Assuming the maximum Project program, the Project will generate an estimated \$20 million in excise revenues to the City of Boston over the 15-year period under Chapter 121A.

(b) The Project will provide additional construction and permanent jobs; assuming the maximum Project program, the Authority estimates that 975 construction jobs and 1,200 permanent jobs will be provided.

(c) The Owner will (i) execute a Boston Residents Construction Employment Plan consistent with the Boston Residents Jobs Policy to ensure that the general contractors and those engaged by them for construction of the Project on a craft-by-craft basis will use good faith efforts to meet the following Boston Residents Construction Employment Standards: (A) at least fifty percent (50%) of the total employee worker hours in each trade shall be by bona fide Boston Residents, (B) at least twenty-five percent (25%) of the total employee worker hours in each trade shall be by minorities, and (C) at least ten percent (10%) of the total employee worker hours in each trade shall be by women; (ii) adopt an Employment Opportunity Plan whereby the Project Developers shall use good faith efforts to make available to Boston residents fifty percent (50%) of certain employment opportunities generated by the Project; and (iii) execute a First Source Agreement with the Mayor's office of Jobs and Community Services providing for use of the services of the Private Industry Council, sponsored by "Boston for Boston" placement office employment referrals.

6. Because of the magnitude and high costs of the Project and its location in a blighted open and decadent area of the City of Boston, the Project will not be economically feasible without approval under Chapter 121A. The Applicant can afford to take the risks involved in undertaking the Project only if the aids that are incident to the legislative purpose of Chapter 121A are available.

The benefits provided by Chapter 121A are essential for the Project to go forward. The major factor in the Applicant's decision to locate the Project in the Commonwealth of Massachusetts and in the City of Boston over other sites both within and without Massachusetts was the relative certainty that is achievable with respect to taxes under Chapter 121A and the accelerated approval schedule for the Project agreed to by the Commonwealth, City of Boston and the Authority. Without this predictability and accelerated permitting, the Applicant would find it difficult to support the high research and development costs that are necessary in an industry that requires long periods of time and heavy investment of capital before products become marketable. Moreover, Genzyme Corporation, the sublessee of the Project, and other similar companies must compete with research efforts by tax-exempt entities. Within this intensely competitive industry, the benefits of Chapter 121A are essential to the feasibility of the Project.

7. The Project will not require a declaration that any of the buildings constituting a portion of the Project constitute a separate building for the purpose of General Laws, Chapter 138.

8. The Project Area does not include land within any location approved by the State Department of Public Works for the extension of the Massachusetts Turnpike into the City of Boston.

9. The Project will not involve the taking of property by eminent domain nor the destruction or rehabilitation of buildings occupied in whole or in part as dwellings. A relocation plan from the Applicant, the prospective lessee of the Project Area, is not required because the Project Area will be leased to the Applicant free and clear of all users.

H. Environmental Considerations. The Applicant filed an Environmental Notification Form with the Massachusetts Secretary of Environmental Affairs on December 16, 1991. Such document is included as Appendix H of the Application. The Applicant has requested that the Secretary waive the requirements of an Environmental Impact Report for Phase 1 of the Project because *inter alia* the impacts of Phase 1 are insignificant. The Applicant has, however, committed to file an Environmental Impact Report for the Project as a whole, to be coordinated with the expected filing by the Massachusetts Turnpike Authority of an Environmental Impact Report for the public improvements in the area, and has committed itself to perform mitigation measures that arise out of the Environmental Impact Report process. As a result of the investigations and reports of the Authority's staff with respect to environmental matters in connection with the Application and the rezoning of the Project Area, the commitment of the Applicant to the Massachusetts Environmental Policy Act process and to mitigation measures that will address environmental impacts that arise out of such process, the Authority hereby determines and finds pursuant to the provisions of Section 61 of Chapter 30 of the General Laws (as inserted by Chapter 781 of the Acts of 1972) that the Project will not result in significant damage to or impairment of the environment and further finds and determines that all practicable and feasible means and measures have been taken or will be utilized to avoid or minimize damage to the environment.

I. Minimum Standards. The minimum standards for financing, construction, maintenance and improvement of the Project as set forth in Appendix G of the Application are hereby adopted and imposed as Rules and Regulations (in addition to those described below) applicable to this Project for the same period as the Project is subject to the provisions of Chapter 121A and Chapter 652.

In addition to the minimum standards set forth in Appendix G, the Authority hereby requires that the Owner, prior to obtaining a building permit, (1) enter into a Regulatory Agreement with the Authority pursuant to the requirements of Chapter 121A, Section 18C, in substantially the same form as Appendix M of the Application; and (2) submit to the Authority for its review and approval plans and specifications for the Project pursuant to the Design Review Process set forth in Appendix D of the Application.

J. Deviations From Codes and Ordinances. Appendix O attached to the Application lists the deviations from zoning laws, codes, ordinances and regulations requested for the Project. For the reasons set forth in the Application (including Appendix O) and the evidence presented at the hearing, the Authority hereby grants such deviations, determining and finding that the deviations set forth in Appendix O are necessary for the carrying out of the Project and may be granted without substantially derogating from the intent and purposes of the applicable laws, codes, ordinances and regulations. In addition, the Authority hereby makes and incorporates by reference in this Report and Decision the specific determinations and findings requested by the Applicant in Appendix O.

K. Duration of Period of Tax Exemption. The Applicant has not requested any extension to the base term of fifteen (15) calendar years for the Project's period of tax exemption pursuant to applicable provisions of Chapter 121A.

L. Decision. For all the reasons set forth above, the Authority hereby approves the undertaking by the Applicant of the Project pursuant to Chapter 121A and Chapter 652 in the manner described in the Application and subject to and with the benefits of the provisions set forth in the Application, as affected by the provisions set forth herein, makes and grants the following determinations, findings and approvals, each of which shall be, and each of the other determinations, findings and approvals made by the Authority in this Report and Decision shall be, in addition to and not in limitation of any other determination, finding or approval made by the Authority herein;

1. That the Authority specifically waives any procedural requirements of the Authority's aforesaid Rules and Regulations with which the Application is not in conformity and grants all approvals under Chapter 121A and Chapter 652 needed for the Project to be undertaken as set forth in the Application.

2. That the Authority agrees that (i) neither the Owner nor Genzyme Corporation nor the successors and assigns of the Owner or Genzyme Corporation nor any partners, venturers, trustees, beneficiaries, shareholders, officers, directors or agents of the Owner or Genzyme Corporation and the successors and assigns of the Owner or Genzyme Corporation shall have any personal liability hereunder or under any agreement or undertaking related hereto with respect to the Project and that the Authority's sole

recourse in enforcing any such agreement or undertaking shall be to the assets and property of, respectively, the Owner and such successors or assigns (including successors and assigns as to portion(s) of the Project) with respect to the Project; (ii) the vote of the Authority approving the Application shall be final when such vote is taken, but such approval shall not become effective until the effective date of the ground lease of the Project Area to be entered into between the Owner and Massachusetts Turnpike Authority; (iii) all of the provisions hereof shall be binding upon and inure to the benefit of the Owner and its successors and assigns (including successors and assigns as to portion(s) of the Project), and references to the Owner in the Application and herein and in all approvals by and agreements with the City of Boston and the Authority under Chapter 121A and Chapter 652, relating to the Project, shall be references to the Owner and its successors and assigns (including successors and assigns as to portion(s) of the Project); and (iv) whenever in the future any notice, agreement, consent or any other action is required of the Applicant hereunder, the same shall be treated as authorized and sufficient if given or taken by the Owner or its successors or assigns (including successors or assigns as to portion(s) of the Project if such notice, agreement, consent or action relates to portion(s) of the Project).

3. That the Authority hereby (i) approves (x) the Minimum Financing, Construction, Maintenance and Management Standards attached to the Application as Appendix G; (y) the Proposed Regulatory Agreement attached to the Application Appendix M; and (z) the Agreements Not to Dispose of Interests attached to the Application as Appendix N; (ii) authorizes the Director to execute, in the name of and on behalf of the Authority, the agreements referenced in (y) and (z) with such changes therein as the Director, in his discretion, shall determine to be necessary or desirable, his execution and delivery of any such agreement to be conclusive evidence of the authority granted to him hereunder; (iii) approves the Section 6A Contract attached to the Application as Appendix K, subject to any changes thereto as the Commissioner of Assessing shall determine to be necessary or desirable; and (iv) authorizes the Director to execute such other documents and take such other action as he deems appropriate to implement the matters described in the Application, his execution of such documents or taking of such action to be conclusive evidence of the Authority's approval thereof.

4. That if, in connection with the development of the Project, the Owner shall seek the Authority's approval to transfer all or a portion of the Project and all or any portion of the Project Area to one or more persons, associations of persons in the form of joint ventures, partnerships, limited partnerships, trusts or charitable corporations for the purpose of undertaking the Project or such portion of the Project, upon application by the proposed transferee pursuant to the provisions of Section 18C of Chapter 121A and Section 13A of Chapter 652 for approval of any such transfer, the Director will within thirty (30) days thereafter submit such application to the Authority for its consideration with a favorable recommendation if the following conditions are satisfied: (x) the application includes information demonstrating to the reasonable satisfaction of the Director the feasibility of the construction (if not yet constructed), maintenance and operation of the Project or the portion of the Project to be transferred, taking into consideration the resources available to the transferee and (y) the transferee assumes in writing all of the obligations of the Owner, under Chapter 121A and Chapter 652 and

under the approvals by and agreements with the City of Boston and the Authority under Chapter 121A and Chapter 652, as amended, relating thereto. Any transfer of the interest of Genzyme Corporation or its successors and assigns in Allston Landing Limited Partnership, Allston Landing Corporation or Allston Landing Corporation II, other than transfer(s) incidental to the admission of limited partners of Allston Landing Limited Partnership, shall be subject to the provisions of this Section. Transfers incidental to Project financings and refinancings including sale-leaseback financings shall not be subject to the consent of the Authority.

5. That upon application(s) by the Owner or its designee for a change in the Project to remove from the purview of Chapter 121A and Chapter 652 one or more portions of the Project Area on which Project improvements have not been constructed as of the date of such application, the Owner having determined in its sole discretion that the Project improvements cannot be built on such portions of the Project Area under Chapter 121A and Chapter 652, such change shall be approved by the Authority and the Project and Project Area shall be adjusted accordingly. The portion of the Project Area so removed and the related Project and the Owner with respect thereto shall not thereafter be subject to the burdens and receive the benefits of Chapter 121A, Chapter 652 and any approval by and agreement with the City of Boston and the Authority relating thereto.

6. That upon request of the Owner or its designee, the Authority may terminate any approvals now or hereafter given by the Authority relative to the Project. The effective date of any such termination shall be such date as may be approved by the Authority. Such termination shall be subject to such other terms and conditions as the Authority deems appropriate. Following any such termination, the Project and Project Area, or the applicable portion thereof, and the Owner with respect thereto shall no longer be subject to the burdens or receive the benefits of Chapter 121A or Chapter 652, or any approvals by and agreements with the City of Boston and the Authority relating thereto.

7. That the filing fee schedule for this Project shall be as follows: a non-refundable filing fee of \$7,500 at the time of filing the Application, and \$1,000 for each amendment thereto that may be filed with the Authority. The Applicant believes that the public interest objectives relating to this Project, including the manufacture of Ceredase and Thyroid Stimulating Hormone, will best be served by the accelerated process that the Commonwealth, City of Boston and the Authority are providing as set forth in the agreement included as Appendix L of the Application. Such accelerated process may require additional filing of amendments reflecting unanticipated changes in Project design, cost and schedule.

8. That the obligations of the Owner pursuant to the Application, this Report and Decision and the agreements executed in connection therewith are conditioned in all respects upon the acquisition and maintenance of a leasehold interest in the Project Area by the Owner, upon the Project being exempt from taxation under Section 10 of Chapter 121A, and upon the gross income of the Owner for purposes of Section 10 of Chapter 121A being limited to the rental income actually received by the Owner from the Project. The Owner shall in no way be held liable for any delay or failure to fulfill any of such

FACT SHEET
CHAPTER 121A APPLICATION

ALLSTON LANDING LIMITED PARTNERSHIP

Board Action: The Applicant, Allston Landing Limited Partnership (the "Applicant"), requests that the Boston Redevelopment Authority (the "Authority") approve the undertaking by the Applicant of a project (the "Project") consisting of the lease of a parcel of land (the "Project Area") of approximately 9 acres at the corner of Western Avenue and Soldiers Field Road in the Allston Section of Boston and the construction thereon of a manufacturing, research, development and administrative complex and parking facility.

Applicant: The Applicant is a Massachusetts limited partnership organized on January 8, 1992, for the purpose of undertaking the Project. The general partner of the applicant is Allston Landing Corporation, a Massachusetts corporation.

Statement of Proposal: The Project will create an important new manufacturing, research, development and administrative facility for biotherapeutics, diagnostic products and services, and pharmaceuticals. The Project Area is currently owned by the Massachusetts Turnpike Authority and will be leased to the Applicant, who will in turn sublease it to Genzyme Corporation. The Project will be undertaken in phases. In Phase 1, the Applicant will construct a manufacturing facility with not more than 90,000 square feet of floor area.

Financing: The cost required to complete Phase 1 of the Project is estimated to be not more than \$75,000,000. The financing for Phase 1 will be provided by Genzyme Corporation or one or more institutional lenders or partnership investors, or by governmental authorities or agencies, or by sale-leaseback financing. The financing structure and equity contributions for subsequent phases will depend on future financing and market conditions.

Construction: It is estimated that the leasehold interest in the Project Area will be acquired by the Applicant in May of 1992. The development of Phase 1 will commence shortly thereafter. Commencement of the development of future phases will depend on marketing and financing considerations. A tentative development schedule is attached as Appendix E.

MEMORANDUM

JANUARY 22, 1992

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: GERRY KAVANAUGH, ASSISTANT DIRECTOR FOR
INSTITUTIONAL PLANNING
KAREN GRAY, SPECIAL ASSISTANT TO THE DIRECTOR
ERIC SCHMIDT, DIRECTOR OF URBAN DESIGN
ED O'DONNELL, DEPUTY DIRECTOR OF MANAGEMENT
OPERATIONS

SUBJECT: CHAPTER 121A APPLICATION FOR THE GENZYME
CORPORATION DEVELOPMENT AT ALLSTON LANDING

**EXECUTIVE
SUMMARY:**

This memorandum requests the approval of a Chapter 121A Application by the Allston Landing Limited Partnership, which is wholly owned by Genzyme Corporation.

On December 5, 1991 the Genzyme Corporation announced its intention to locate manufacturing facilities on a parcel of approximately 9 acres owned by the Massachusetts Turnpike Authority at the intersection of Western Avenue and Soldiers Field Road in the Allston Landing North Economic Development Area. On January 8, 1992, the Allston Landing Limited Partnership (the "Applicant"), a subsidiary of the Genzyme Corporation, submitted to the Boston Redevelopment Authority (the "Authority") an application for approval to undertake a Chapter 121A Agreement for the Allston Landing site.

The Chapter 121A Project

Subject to future market and economic conditions, the Applicant proposes to develop a maximum of 730,000 square feet of space on the site.

The maximum program for the project is projected to be:

Manufacturing	200,000 sq.ft.
R&D/Administrative	280,000 sq.ft.
Parking	<u>250,000 sq.ft.</u>
Total	730,000 sq.ft.

This allocation of space among the foregoing project uses may change as definitive plans for future phases of construction evolve.

Phase 1 of the project, to be commenced in 1992 and with an expected occupancy date of 1994, includes a manufacturing facility of 90,000 square feet on no more than two and one-half floors. Phase 1 will also include ancillary laboratories, office, storage, and mechanical space and approximately 120 parking spaces in a landscaped at-grade lot.

The project buildings will be of masonry, brick, metal and glass exteriors. The height of the buildings (as determined under the Boston Zoning Code) is not expected to exceed 65 feet, with the exception that the R&D/administrative complex will have a maximum building height of 125 feet. The maximum FAR will be 2.0. The project will be subject to design review by the Boston Redevelopment Authority (the "Authority"). Landscaped setbacks and architectural material and design elements will be visually compatible with and enhance the Charles River Corridor.

Blighted Open and Decadent Project Area

The project area is a blighted open area, detrimental to the growth of the Allston-Brighton community and the City of Boston, and it would be unduly costly to develop it soundly through the ordinary operations of private enterprise because (i) it is isolated from surrounding neighborhoods by a turnpike ramp and access way, actively used trucking and railroad property, a heavily travelled four-lane highway, Cambridge Street, and a limited accessed highway, Soldiers Field Road; (ii) it is unduly expensive to develop around the turnpike ramp, railroad tracks and Soldiers Field Road; and (iii) pile driving and related work is necessary in an area with such a high water table.

Moreover, the presence of active highway and railroad uses at the perimeter of the project area and on the larger site owned by the Massachusetts Turnpike Authority creates blight as well as traffic and traffic congestion, noise and air pollution. These conditions are not capable of being remedied by the ordinary operations of private enterprise and are detrimental to the safety, health, welfare and sound growth of the project area and the surrounding community.

The project area is also a decadent area because buildings on or near the site are in a deteriorated condition and in need of major maintenance or repair. Such buildings have not been replaced, and it is unlikely that they will be replaced by the ordinary operations of private enterprise.

Current uses of the area provide few jobs and no housing or local economic benefits to offset the negative element of appearance and local traffic congestion.

Consistency with City Master Plan and Zoning

The project will not conflict with the Master Plan for the City of Boston. The development of the project will be consistent with the goals of both the Master Plan and City Zoning Ordinance, including the development of science-based industry at locations outside the core of the City of Boston and, more specifically, the use of the Allston Landing North Economic Development Area "as a focal point for economic growth and development, with strong emphasis on scientific research and development and the manufacture of the products of such research and development." (Section 51-22 of the Boston Zoning Code.)

Needs for Chapter 121A Designation

Because of the magnitude and high cost of the proposed Genzyme development and its location in a blighted open and decadent area of the City of Boston, the project will not be economically feasible without approval under Chapter 121A. The benefits provided by Chapter 121A are essential for the project to go forward. The major factor in the Applicant's decision to locate the project in the Commonwealth of Massachusetts and in Boston over other sites both within and outside Massachusetts was the relative certainty that is achievable with respect to taxes under Chapter 121A. Without this predictability and accelerated permitting, the Applicant would find it difficult to support the high research and development costs that are necessary in an industry that requires long periods of time and heavy investment of capital before products become marketable. Moreover, Genzyme Corporation and other similar companies must compete with research efforts by tax-exempt entities. Within this intensely competitive industry, the benefits of Chapter 121A are essential to the feasibility of the project.

Project Financing

The estimated cost of Phase 1 of the project is not more than \$75,000,000. Genzyme intends to initially finance such costs from the proceeds of a private placement of \$100 million in convertible subordinate notes, issued on October 11, 1991. Debt service on any debt financing will be covered by rent payments from Genzyme Corporation under the project sublease. The specific method and amount of subsequent financing or refinancings will depend on future financing and market conditions.

Consistent with Section 18C of Chapter 121A, the Allston Landing Limited Partnership ("Owner") will limit return on investment to an annual cumulative eight percent (8%) cash return on the amount invested by the Owner and its partners in the project for as long as the project, or applicable portion thereof, is subject to Chapter 121A. The amount of such investment shall be certified annually by independent accountants of recognized standing.

Public Benefits

The public benefits to be provided by the completed project remain as approved by the Authority. A summary of some of the major benefits is provided below.

The project, in total, will generate approximately 975 construction jobs and 1,200 permanent employment opportunities. Phase 1 will result in the creation of 300 construction jobs and 200 permanent jobs. To facilitate the hiring of Boston residents, the developer will execute a Boston Residents Construction Employment Plan Agreement with the Mayor's Office of Jobs and Community Services (OJCS), and a First Source Agreement regarding permanent employment.

The Genzyme project will also constitute a public benefit in that it will eliminate a blighted open and decadent area and help combat any further decline of the neighborhood in which it is located. The project will also stimulate economic growth, including investment by other biotechnology companies, in presently under-utilized land in the proposed Riverfront R&D Park and elsewhere in the larger Allston-Brighton community and the City of Boston.

Conclusion

The proposed project is vitally important to the growth of Boston's new advanced technology economy and will provide jobs and a higher standard of living for Boston residents. The City actively pursued Genzyme, seeking to expand opportunities for employment, particularly in the growing biotechnology field. The City, in collaboration with the Allston-Brighton community, recently culminated a multi-year planning process for the area with new zoning aimed at attracting manufacturing and R&D activity to the site. Consequently, Genzyme's selection of Allston Landing has strong public support.

The approval of the Chapter 121A application will allow the project to commence construction, and additionally allow the community benefits to be retained. The Authority has examined the Application and found that it contained more than sufficient evidence in support of the project to permit the Authority to make those findings and the determination necessary to approve the Application, a copy of which, along with associated documents, is attached. It is therefore recommended that, pursuant to Chapter 121A of the General Laws, as amended, and Chapter 652 of the Actions of 1960, the Authority adopt and approve the Report and Decision approving the project.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled "Report and Decision on the Application By Allston Landing Limited Partnership for Approval to Undertake A Project in Boston, Massachusetts, under Chapter 121A of the General Laws and Chapter 652 or the Acts of 1960, as Amended" be and hereby is approved and adopted.